

Once established, all CLECs shall be allowed to amend or MFN into the supplemented performance measures;

11. The following specific measures shall be established: (1) performance measures related to the access to be offered by SWBT to enable CLECs to combine UNEs; (2) speed of processing requests to accessing poles, conduits, and rights-of-way; and (3) number of days to complete physical collocation facilities;
12. SWBT should establish the following measures: (1) a measurement which would include the average delay days for all SWBT caused missed due dates; and (2) the percentage of all SWBT caused missed due dates greater than 30 days. The Commission also believes that a measure reflecting coordinated conversions should be developed. SWBT shall discuss with CLECs the development of performance measurements that relate to premature disconnect and the coordinated customer conversion process and jointly develop measurements that would enable both parties to track parity in the process;
13. Because the current process for updating directory listings activity for CLECs and independent companies are manual, the Commission concludes that SWBT add the following measures: (1) directory listings database update completion interval; (2) directory listings database update interval; and (3) directory listings electronic interface availability;
14. Because the process employed by SWBT for Operator Services (OS) and Directory Assistance (DA) is the same as that used by CLECs and other independent companies, the measurements proposed by SWBT for OS/DA should provide adequate information making the additional measures unnecessary to ensure parity for this category. The measurements provided in this category shall include: (1) Grade of Service; and (2) Average Speed of Answer. Furthermore, the measures shall be reported aggregated for SWBT and for CLECs;
15. Measures shall be established to assure parity in the provision of interim number portability;
16. The Commission finds that SWBT must provide measurements for interconnection trunks for all CLECs to assure nondiscriminatory treatment. The measurements shall include: (1) Percent Trunk Blockage; (2) Common Transport Trunk Blockage; (3) Distribution of Common Transport Trunk Groups Exceeding 2%; (4) Percent Missed Due Dates; and (5) Average Trunk Restoration Interval along with the standard deviation. The measurements provided shall include data for individual CLECs, all CLECs, and SWBT;
17. SWBT is contractually required to file performance measures for different types of unbundled loops and resale services in the approved AT&T and MCI interconnection agreements. As an additional requirement, the performance measures related to DS-1, DS-3 and higher capacity loops and dedicated transport should be tracked separately;
18. "Average Time to Return Firm Order Commitment" shall also include SWBT's own internal performance in order to compare it with its performance provided to CLEC;
19. SWBT shall provide a measurement of the performance it provides to its own customers as related to "percentage of Trouble Reports Within 10 days of Installation" and "Percentage of Trouble Reports Within 30 Days of Installation;"

20. SWBT shall include an additional measure "Delayed Orders Cleared After 30 Days." This measurement shall be reported for loop by separate capacity category;
21. SWBT shall report comparative data on NXX loaded and tested prior to local exchange routing guide (LERG) effective date, and Mean Time to Repair for NXX Troubles;
22. SWBT's Network Performance measures shall include Ratio of Calls Blocked to Calls Attempted;
23. SWBT should develop a process for simulation modeling for those measures for which actual results are not available or are so limited that a statistical comparison is not feasible;
24. SWBT shall implement TCG's suggestions as far as the kinds of benchmarks to establish to measure SWBT's performance in the area of directory assistance and operator call completion;
25. SWBT's performance data shall be further disaggregated, consistent with the discussions of the Office of Public Utility Counsel (OPC) and the testimony of SWBT witness Dysart;
26. The Commission recommends that a measure reflecting coordinated conversions should be developed. SWBT shall work with the CLECs and Commission Staff to develop measures relating to premature disconnect and the coordinated customer conversion process and develop measurements that would enable all parties to track parity;
27. The issue of auditing shall be addressed further in the collaborative process between SWBT, the participants, and Commission Staff. SWBT must allow CLECs to audit the underlying performance data used in calculating the required measure to provide CLECs the ability to satisfy any concerns that the performance measures "mask" discriminatory treatment, *i.e.*, disparate treatment in a particular exchange. As an initial matter, the Commission believes it is appropriate for the requesting CLEC to bear the costs associated with such an audit. However, if the CLEC demonstrates that SWBT has consistently provided discriminatory and/or lower grade service than it provides to itself, SWBT is required to refund such fees. If necessary, the post-interconnection dispute process may be used to resolve disputes regarding the payment of such fees. In such a process, it may be appropriate to consider attorneys' fees and litigation costs to be part of the overall audit costs;
28. Performance penalty issues need to be resolved. Issues for the collaborative process include the type of penalty, level of penalty, and the appropriateness of any necessary safeguards to protect CLECs from sporadic performance and SWBT from random fluctuations. For any measure, when SWBT's performance substantially deviates from parity, *e.g.*, more than one standard deviation for three consecutive months, the Commission recommends that a root cause analysis be performed to determine the cause of the disparity. In other words, SWBT must investigate exceptionally good and exceptionally bad performance results;
29. In recognition of the New York Public Service Commission's ruling in Bell Atlantic's Section 271 docket and the concerns raised by participants in this docket, the Commission believes that the performance penalty structure in the AT&T and MCI interconnection agreements with SWBT, which was largely negotiated, may not be adequate to assure nondiscriminatory treatment. Instead, during the collaborative process, proposals relating to a reduction in resale/UNE/interconnection rates should be considered if, prospectively, the

Commission determines that SWBT has failed to meet the performance requirements, or engaged in discriminatory practices against CLECs;

30. The Commission recommends that additional safeguards be considered if performance penalties are determined to be insufficient to restrain anticompetitive behavior after SWBT obtains § 271 relief. Such a procedure may allow the Commission to issue a cease and desist order affecting SWBT's ability to accept new in-region interLATA customers if the Commission determines that SWBT has provided sub-standard and/or discriminatory service to CLECs, such that CLECs do not have a meaningful opportunity to compete in local markets. This issue is more broadly discussed in the public interest section;
31. SWBT shall be required to allow a CLEC that was not a party to the mega-arbitration to include those performance measures while allowing the CLEC to raise new issues that were not arbitrated or negotiated during the mega-arbitration hearing through further negotiation or arbitration and shall explore development of a tariff containing performance measures and public availability of performance measure data;
32. Consistent with the attachment-by-attachment MFN philosophy, SWBT shall allow a CLEC that was not a party to the mega-arbitration to adopt the performance measures without having to adopt the separate and distinct provision on performance penalties;
33. SWBT shall provide all the performance data required by its interconnection agreements with AT&T and MCI, including the average response time for preorder interfaces, provisioning accuracy, average time to return firm order commitments (FOCs), mean time to return service, order process percent flow-through, LSC speed of answer, billing accuracy, billing timeliness, or any measures with respect to UNEs or design services.

Operations Support Systems (OSS)

RECOMMENDATIONS: In addition to the recommendations addressed above in the **public interest**, **checklist item**, and the **performance standard** sections above, the Commission recommends the following, the details of which could be established in the collaborative process. The Commission also includes a brief discussion relating to the relationship between interim and permanent interfaces to provide some context for the specific recommendations.

Relationship between interim and permanent interfaces:

There are a number of interim and permanent OSS interfaces discussed in these comments. In particular, at least for CLECs willing to move to an EDI (Electronic Data Interexchange solution), EASE (Easy Access Sales Environment) is an interim interface for resale and UNE switch/port combinations, LEX (Local Service Request Exchange System) is an interim solution for resale and UNE orders, VERIGATE (Verification Gateway) and DataGate are interim measures for preordering functions. SWBT's ultimate obligation is to develop a real-time, interactive, EDI gateway based on national standards.

As the final stages of EDI development are in progress, SWBT's § 271 relief should not be rejected on this issue if certain conditions are met indicating that the OSS systems in place meet the requirements set out by the Commission and the FCC. These conditions include the following:

1. SWBT's interim measures provide flow-through and are modified as discussed in the specific recommendations contained herein;
2. SWBT continues to develop its EDI interface in good faith; this issue should be explored in more detail during the collaborative process. (Some form of adjustment may be necessary to offset the necessity of CLECs to undertake dual entry prior to EDI development being completed to the Commission's satisfaction, if SWBT does not meet its implementation dates for EDI development. Potentially, an interim discount on SWBT's electronic service order charge may be appropriate.); and
3. Sufficient procedures are in place to transition from interim measures to permanent solutions.

Specific Recommendations:

1. OSS shall be addressed in the collaborative process. The Commission believes implementation of both the spirit and letter of these recommendations would lead to an affirmative answer on OSS;
2. SWBT shall establish that all of its OSS systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing are at parity;
3. SWBT shall establish that all of its electronic OSS systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing are at parity and provide flow-through without the necessity of manual intervention;
4. SWBT shall conform its technical documents to meet the LEX and EDI interfaces. SWBT's LEX and EDI interface, at the time of the hearing, did not sufficiently follow the technical documentation provided by SWBT to CLECs;
5. SWBT shall modify LEX to better integrate LEX with VERIGATE, a pre-ordering apparatus. SWBT should develop the capability necessary to allow more efficient order preparation, beyond "Cut and Paste" functionality, in order to prevent a CLEC's sales representative from re-keying certain information multiple times when it is not necessary. SWBT's LEX system, at the time of the hearing, could not be used in a manner reasonably comparable to the EASE interface used by SWBT for its retail operations;
6. SWBT shall undertake further development of LEX and EDI to achieve the flow through capabilities for both UNE and Resale orders. LEX and EDI's electronic flow through, at the time of the OSS demonstration, was not sufficiently comparable to that of SWBT's EASE

- system to provide nondiscriminatory access to CLECs. Further flow through capability is necessary. SWBT shall provide data on the rejection rate for orders processed to demonstrate the new flow through capability achieved through Phase I implementation;
7. SWBT shall demonstrate that improved flow through capability enables SWBT's OSS to handle commercial volumes;
 8. SWBT shall provide further explanation regarding the disparity in EASE flow through rates in order to ascertain whether EASE is provided in a nondiscriminatory manner;
 9. SWBT shall complete the development of EASE for UNE switch/port combinations;
 10. Further review of SWBT's OSS training is necessary to determine whether SWBT is providing sufficient training for CLECs to effectively use the interfaces provided by SWBT;
 11. Delays relating to LEX and EDI batch processes need to be reduced and transitioned to real time. SWBT shall demonstrate that such delays have been reduced;
 12. SWBT needs to develop the procedures to provide timely, accurate information regarding order errors, jeopardies, and CLECs' access order status information;
 13. SWBT needs to implement adequate safeguards to assure timely, efficient, parity performance for the manual orders processed by the LSC and CLEC questions directed to LSC. The Commission, therefore, recommends that this issue be explored in more detail during the collaborative process among SWBT, the participants, and Commission Staff. Further review of performance measures may be necessary to provide such a safeguard;
 14. SWBT shall either improve the preordering interfaces available to CLECs to provide sufficient access to customer information and/or clarify the record to show that CLECs have parity access to customer service records, *e.g.*, ISDN, complex services and design services;
 15. To the extent SWBT's access to the PREMIS database is at the customer service representative level, SWBT shall provide sufficient access to that database system's information and functionality in order to provide parity access;
 16. SWBT shall provide access to SORD (Service Order Retrieval Distribution) and LFACS (Local Facilities Access System) at cost-based rates, terms, and conditions. As discussed previously, SWBT would have to provide training necessary to allow CLECs obtain parity access to SORD and LFACS;
 17. SWBT shall be required to demonstrate, by providing at least three months of data, that it is providing CLECs with service that meets the performance standards established in this proceeding and in its interconnection agreements;
 18. The Commission finds that SWBT does not make available the ability for a facilities-based CLEC to supplement pending service orders or receive timely jeopardy notifications, error notifications, or workflow confirmations. SWBT must either make this capability available to CLECs electronically or demonstrate that SWBT's customer service representatives do not have such access;

19. To provide necessary notifications, SWBT shall fully develop the jeopardy notification function into its EDI interface. This development should also be incorporated into the Order Status Toolbar function;
20. Although fax rejects may be appropriate when a CLEC provides its orders via fax, SWBT shall provide an electronic means for such notification when a CLEC uses an electronic means to place its orders with SWBT;
21. SWBT does not provide data as to the amount of time it takes SWBT to process and transmit reject notifications to CLECs. Moreover, SWBT could not provide specific goals and procedures in response to questioning from the Commissioners so actual performance could be measured against a benchmark. SWBT shall implement such goals and procedures so CLECs can regularly receive this information timely enough to correct such errors without affecting customer service. Such goals and procedures provide a CLEC with the ability to smoothly convert a customer to its service;
22. SWBT must make clear to CLECs the effect of the various stages of an order's "completion" to avoid confusion. To the extent this issue is one of communication, this issue can be addressed in the policy manual discussed in the public interest section of these comments;
23. The Commission, like the FCC, believes that actual commercial usage is the most probative evidence concerning a system's ability to handle large commercial volumes. The Commission recommends, to the extent there is no actual commercial usage or third party testing, alternative means for assessing system performance be developed in the collaborative process. For example, as greater flow-through is developed, commercial volume concerns may be eased as the representative hours necessary to input orders directly into SORD will be lessened. However, even after the potential manual "bottleneck" issue is resolved, there may remain a need to stress test SWBT's OSS systems before an affirmative recommendation is made on this issue;
24. A record on billing issues should be developed further during the collaborative process. The FCC determined that this information is necessary because "competing carriers that use the incumbent's resale services and unbundled network elements must rely on the incumbent LEC for billing and usage information. The incumbent's obligation to provide timely and accurate information is particularly important to a competing carrier's ability to serve its customers and compete effectively." A BOC must also provide detailed evidence to support its claim that it is providing billing on terms and conditions that are nondiscriminatory, just and reasonable. This information should include measures that compare the BOCs performance in delivering daily usage information for customer billing to both its own retail operation and that of competing carriers;
25. SWBT must resolve the double-billing and other billing issues raised during this proceeding and bring forth proof that such problems have been adequately addressed;
26. SWBT shall either limit requirement that a single CLEC obtain multiple OCNs (operating company numbers) or AECNs (alternate exchange company number) or demonstrate a necessity for such requirement;

27. SWBT shall provide CLECs with sufficient definition or information to decipher the downloads of information that a CLEC needs to validate addresses, determine calling scope, and determine feature availability without having to access SWBT's systems;
28. SWBT shall provide parity access to consolidated CSRs for business customers that have more than 30 lines or that have any design services such as Centrex. SWBT must enhance the ability of its interfaces to handle these order types or demonstrate that parity is provided at this time;
29. SWBT shall demonstrate that its back-end systems are operationally ready, to assure performance parity between CLECs and SWBT's retail operations for POTS (plain old telephone service) order completion, FOCs, installation intervals, trouble reports, design services, billing accuracy, or billing timeliness.

Section 272 Compliance

SECTION 272 COMPLIANCE: Pursuant to section 271(d)(3)(B), has SWBT demonstrated that the requested authorization will be carried out in accordance with the requirements of section 272?

RECOMMENDATIONS: The Commission recommends the following, the details of which could be established in the collaborative process. The Commission believes implementation of both the spirit and the letter of these recommendations would lead to compliance with Section 272.

1. Although SWBT has established a separate affiliate to provide interLATA services in Texas, the actual corporate structure must be clarified. The Commission cannot determine from the record which SBC subsidiary and/or d/b/a will be used to provide interLATA services in Texas. SWBT shall supplement the record with the necessary information;
2. It is the Commission's position that the independence and separation of the SBLD board and officers from SWBT is not absolutely clear in the record. The record on this issue shall be further developed and clarified so that a determination can be made as to whether SBLD's officers, directors, and employees are separate from SWBT and its corporate chain of command;
3. SWBT's postings on the internet do not clearly delineate the services which are provided by SWBT to SBLD, the identified interLATA affiliate. The internet postings shall clearly identify this information. Additionally, the internet postings shall be revised to indicate which of the services are provided by SWBT to SBLD for Texas, for Oklahoma, or any other state served by the three SBC BOCs, or services provided by SWBT to support SBCS in its other activities outside the SWBT service areas;
4. SWBT shall make available public access to information on transactions between the BOC and the interLATA affiliate at the BOC's headquarters. After the hearing, SWBT in an affidavit reported it would move the records to San Antonio, Texas during the month of June

1998. SWBT should file a follow-up affidavit once the records are available in San Antonio. The Commission must have proof that the records will remain available in San Antonio pursuant to the FCC's order;

5. SWBT shall post on the internet a written description of the asset or service transferred along with the terms and conditions;
6. There is insufficient information to evaluate if transactions are fairly and accurately valued. SWBT shall provide such additional information, so the Commission can determine which of the posted services and assets would be available on an equal pricing basis to a competitor of SBLD;
7. Transactions between February 1996 and the date of approval to initiate interLATA services shall be disclosed and made subject to "true-up;"
8. SWBT shall provide additional information to enable the Commission to evaluate if transactions are arms-length between the affiliates;
9. SWBT shall limit its use of "CONFIDENTIAL" and "PROPRIETARY" classifications to those transactions that meet the FCC guidelines for such protections;
10. The record shall be developed further as to SWBT's practices regarding the use of "CONFIDENTIAL" and "PROPRIETARY" restrictions on documents. If contracts between SWBT and its interLATA affiliate are improperly so marked, then, the Commission's position is that SWBT does not meet the public disclosure requirements of Section 272;
11. The audit report to Texas must report on transactions from all three SBC BOCs, summarizing the total support services from each BOC, reporting the specific services received by the long distance affiliate from each BOC, and reporting on the allocation of expenses within the SBCS organization by subsidiary and by d/b/a title;
12. The Commission has concerns regarding marketing, but recognizes the FCC's decision in BellSouth/South Carolina. The Commission, nonetheless, has concerns that the strong recommendation of its affiliate by SWBT and the warm-hand-off to the affiliate would not pass any arms-length test. If a customer truly does not readily state a long distance company choice, then random assignment of a carrier is preferable.

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